

[Skip to content.](#) | [Skip to navigation](#)

- 
- 
- 

		
-----------------------------------------------------------------------------------	-----------------------------------------------------------------------------------	-------------------------------------------------------------------------------------

Sections

- [Contact the FBI](#)
 - [FBI Headquarters](#)
 - [Local FBI Offices](#)
 - [Overseas Offices](#)
 - [Report Threats & Crime](#)
 - [More Contacts...](#)
- [About the FBI](#)
 - [Quick Facts](#)
 - [What We Investigate](#)
 - [Frequently Asked Questions](#)
 - [History](#)
 - [Partnerships and Outreach](#)
 - [Reports and Publications](#)
 - [Criminal Justice Information Services](#)
 - [Information Technology](#)
 - [Intelligence](#)
 - [Laboratory Services](#)
 - [National Security Branch](#)
 - [Training Academy](#)
 - [More About Us...](#)
- [Most Wanted](#)
 - [Ten Most Wanted Fugitives](#)
 - [Most Wanted Terrorists](#)
 - [Seeking Terrorism Info](#)
 - [Kidnappings & Missing Persons](#)
 - [Bank Robbers](#)
 - [Parental Kidnappings](#)
 - [Cyber's Most Wanted](#)
 - [White-Collar Crimes](#)
 - [More Wanted by the FBI...](#)
- [FBI News](#)
 - [News Blog](#)
 - [Photo Gallery](#)
 - [Podcasts & Radio](#)
 - [Press Releases](#)
 - [RSS News Feeds](#)
 - [Speeches](#)
 - [Stories](#)
 - [Testimony](#)
 - [Video](#)
 - [Widgets](#)

- [FBI Stats and Services](#)
 - [Identity History Summary Checks](#)
 - [Crime Statistics/UCR](#)
 - [Criminal Justice Information Services](#)
 - [Fingerprints & Other Biometrics](#)
 - [FOIA/Records Requests](#)
 - [Gun Checks/NICS](#)
 - [Laboratory Services](#)
 - [Law Enforcement Services](#)
 - [Name Checks](#)
 - [Reports & Publications](#)
 - [Training](#)
 - [Victim Assistance](#)
 - [More Resources...](#)
- [Scams and Safety](#)
 - [Be Crime Smart Advice](#)
 - [Common Fraud Schemes](#)
 - [E-scams & Warnings](#)
 - [Sex Offender Registry](#)
 - [Report Threats & Crime](#)
- [Get a Job!](#)
- [FBI Fun and Games!](#)



[Get FBI Updates](#)

[Home](#) • [New York](#) • [Press Releases](#) • [2013](#) • Two Indicted in \$15 Million Investment Fraud Scheme That Victimized National National Hockey League Players and Long...

Info

This is archived material from the Federal Bureau of Investigation (FBI) website. It may contain outdated information and links may no longer function.

- [Twitter](#)
- [Facebook](#)
- [Share](#)
- 
- 

Two Indicted in \$15 Million Investment Fraud Scheme That Victimized National National Hockey League Players and Long Island Investors

Defendants Promised to Invest Money in Lucrative Real Estate and Business Deals but Diverted Money to Personal Accounts

U.S. Attorney's Office November 13,
2013

• Eastern District of New York (718) 254-
7000

An indictment was unsealed this morning in federal court in Brooklyn charging Phillip A. Kenner, a former financial adviser to several former and current National Hockey League (NHL) players, and Tommy C. Constantine, also known as Tommy C. Hormovitis, a former professional race car driver, with wire fraud and wire fraud and money laundering conspiracies in connection with schemes involving fraudulent real estate and business investments. Kenner is also charged with wire fraud involving a separate scheme to buy real estate in Sag Harbor, New York.

The defendants were arrested earlier today in Scottsdale, Arizona, by agents of the Federal Bureau of Investigation and Internal Revenue Service and officers of the Scottsdale Police Department, and a search warrant was executed at Kenner's residence. The defendants are scheduled to appear later today before United States Magistrate Judge Bridget S. Bade at the federal courthouse in Phoenix, Arizona, for removal proceedings to the Eastern District of New York.

The charges and arrests were announced by Loretta E. Lynch, United States Attorney for the Eastern District of New York; George Venizelos, Assistant Director in Charge, Federal Bureau of Investigation, New York Field Office; and Toni Weirauch, Special Agent in Charge, Internal Revenue Service Criminal Investigation, Criminal Investigation, New York.

During his college years at Rensselaer Polytechnic Institute (RPI) in Troy, New York, Kenner became acquainted with one of the schemes' victims, who played hockey at RPI before being drafted by an NHL professional team. In approximately 1994, Kenner was licensed as a financial adviser and, early in his career, worked at a firm in Boston, Massachusetts, where he built a client list of several NHL players before starting his own firm in 2003. Between 2002 and 2013, Kenner advised numerous hockey players on investments in a series of allegedly fraudulent schemes that he represented would earn significant profits for the players; however, the victimized players instead suffered losses exceeding \$15 million.

The Hawaii Real Estate Investment Scheme

As alleged in the indictment and other court filings by the government, Kenner fraudulently solicited at least 13 players to invest \$100,000 each in a real estate development project on the Big Island of Hawaii. In connection with this scheme, Kenner also convinced several NHL players to open lines of credit, to which Kenner was given access. Unbeknownst to the players, Kenner allegedly used their investments for purposes unrelated to the development of the Hawaii real estate project. Rather than investing the money as promised, Kenner and Constantine used it to fund personal real estate purchases, pay personal expenses, and pay down other debts necessary to conceal the scheme. Beyond the NHL players, in August 2006, Kenner and Constantine also allegedly defrauded Lehman Brothers Holdings Inc. of \$2 million based on Kenner's misrepresentations concerning the use of a real estate loan. In total, the victims of this scheme lost more than \$13 million.

The Eufora LLC Scheme

Constantine operated Eufora LLC, a prepaid debit card business that he founded in 2002. Kenner informed the NHL players that Eufora was an up-and-coming company with great potential for growth. Between February 2008 and May 2009, players invested, at Kenner's urging, approximately \$1.4 million into Eufora. However, none of that \$1.4 million was actually invested in Eufora; rather, the investment money was diverted to bank accounts that Kenner and

10.14.10

New York Field
Office Links

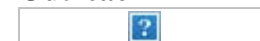
[New York Home](#)

Contact Us

- [Overview](#)

- [Territory/Jurisdiction](#)

**News and
Outreach**



Constantine controlled and was used to cover the costs of Kenner and Constantine's personal mortgages, credit card bills, travel costs, jewelry, and other expenses. In December 2009, Kenner and Constantine fraudulently convinced an Eastern District of New York resident to invest another \$200,000 in Eufora, the vast majority of which was later diverted to a Constantine-controlled account unrelated to Eufora. In total, investors lost more than \$1.5 million as a result of the Eufora scheme.

The Global Settlement Fund Scheme

In May 2009 through February 2010, Kenner and Constantine persuaded NHL players to give approximately \$4.1 million to fund an attorney's escrow account, termed the Global Settlement Fund, or GSF, which was to be used to finance litigation related to Mexican land deals. However, only a small fraction of the players' contributions to the GSF were used for litigation; rather, the vast majority of the money was allegedly transferred into bank accounts controlled by Constantine, and significant portions of the money were used by Kenner and Constantine for purposes unrelated to the GSF, including funding Kenner's personal investment in a tequila company in Mexico, funding litigation in Florida related to a race car company owned by Constantine, and funding the transfer of Constantine's Arizona home. The players lost more than \$1 million as a result of this scheme.

The Sag Harbor Scheme

In a separate scheme, Kenner acquired a 25 percent interest in real property in Sag Harbor, New York, without using any of his own money. To achieve this result, Kenner took \$395,000 from a player's line of credit without that player's knowledge or permission. Kenner also convinced another player to pay \$375,000 for a 50 percent interest, when Kenner only gave him a 25 percent interest and pocketed the other half of the money. In early 2010, the investors realized Kenner had not contributed any of his own money, and they sold the property at a loss. Kenner has filed a civil lawsuit in Arizona against one of the investors in connection with the Sag Harbor property.

"As alleged, Phillip Kenner spun a web of lies, deceit, and broken promises that stretched from Hawaii to Mexico to the East End of Long Island. Kenner used his school connections to build a client list of NHL players. Once he gained their trust, he promptly betrayed it by steering them to fraudulent investment schemes that enriched himself and Constantine to the tune of millions at the players' expense. Kenner allegedly abused his position as a trusted financial advisor and long-time friend to the victims, using fraud and outright lies concocted by Kenner and Constantine to pilfer bank accounts in order to live an extravagant lifestyle with money that belonged to and was earned by Kenner's friends," stated United States Attorney Lynch. "We and our law enforcement partners will vigorously pursue and prosecute to the fullest extent those who seek to profit by such fraud." Ms. Lynch expressed her grateful appreciation to the FBI and IRS for their work on the investigation and thanked the Scottsdale, Arizona Police Department for their assistances.

Assistant Director in Charge George Venizelos stated, "As alleged, Kenner exploited his personal relationship with these players in pursuit of his own lucre. Player after player, time after time he and his partner, Constantine, stole from anyone they could find. This was an elaborate scheme of deception, trickery, and lies that victimized many. The FBI will continue to pursue anyone who believes using others' savings as their personal piggy bank is acceptable behavior.

"It is not uncommon for investment fraudsters to target a specific group of victims and that group may even include the perpetrator's own friends and acquaintances," stated IRS Special Agent in Charge Weirauch. "The cooperation between IRS-Criminal Investigation, the U.S. Attorney's Office, and the FBI should give the investing public confidence that investment fraud schemes will ultimately be uncovered and thoroughly investigated and that the scammers will be prosecuted. Nevertheless, always take care when entrusting money to others, including to investment professionals whom you already know."

- [Press Room](#) |
[Stories](#)
- [In Your Community](#)

About Us
- [Our People & Capabilities](#)
- [What We Investigate](#)
- [Our Partnerships](#)
- [New York History](#)

Wanted by the FBI
- [New York](#)

FBI Jobs

The charges in the indictment are merely allegations, and the defendants are presumed innocent unless and until proven guilty. If convicted the defendants face maximum sentences of 20 years.

The criminal case has been assigned to the Honorable Joseph F. Bianco, United States District Judge for the Eastern District of New York, in Central Islip, New York. The government's case is being prosecuted by Assistant United States Attorneys Carrie Capwell, Demetri Jones, and Diane Leonardo.

Defendants:

Phillip A. Kenner
Age: 43
Residence: Scottsdale, Arizona

Tommy C. Constantine, a/k/a Tommy C. Hormovitis
Age: 47
Residence: Scottsdale, Arizona

Follow the FBI's New York Office on [Twitter](#). Sign up for our [e-mail alerts](#) to receive the latest information from the FBI's New York Office on breaking news, arrests, and fugitives.

This content has been reproduced from its [original source](#).

- [Twitter](#)
- [Facebook](#)
- [Share](#)



[Contact Us](#) | [About Us](#) | [Most Wanted](#) | [News](#) | [Stats & Services](#) | [Scams & Safety](#) | [Jobs](#) | [Fun & Games](#) | [Mobile](#) | [Español](#)

Resources for: [Law Enforcement](#) | [Intel Partners](#) | [Researchers/Students](#) | [Communities](#) | [Parents](#) | [Victims](#) | [Businesses](#)

Follow Us On: [Facebook](#) | [You Tube](#) | [Twitter](#) | [iTunes](#) | [All Sites](#)

[Accessibility](#) | [eRulemaking](#) | [Freedom of Information Act](#) | [Legal Notices](#) | [Legal Policies and Disclaimers](#) | [Links](#) | [Privacy Policy](#) | [USA.gov](#) | [White House](#)

FBI.gov is an official site of the U.S. government, [U.S. Department of Justice](#)



Close



Original text

Contribute a better translation
